

# KING COUNTY AUDITOR'S OFFICE HIGHLIGHTS OF 2009 ACCOMPLISHMENTS

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**King County**

Cheryle A. Broom  
*King County Auditor*

## INCREASING PERFORMANCE, ACCOUNTABILITY, AND TRANSPARENCY

In today's challenging budget environment, the need to ensure the integrity, efficiency, and effectiveness of county programs has never been greater. The auditor's office produced important analysis and audit recommendations which were useful to decision-makers during the 2010 budget deliberations. For example, the audit of Metro Transit identified numerous cost savings, efficiencies, and service improvements that minimized the need to reduce transit service to cover budget shortfalls.

Audits we completed in 2009 contained 68 recommendations which, if implemented, could save up to \$37 million in annual cost savings, increase revenues up to \$53 million, and provide one-time savings from an available fund balance of \$105 million. Moreover, follow-ups to confirm implementation from prior audit recommendations increase accountability and promote compliance with county policies. We conducted five follow-up reviews last year and found a high rate of implementation of audit recommendations that also led to significant dollar savings.

In addition to our audit function, over the past few years the council has expanded our responsibilities to include leadership in three key areas to improve the county's performance, accountability, and

transparency—efforts which have also produced significant results.

Our capital project oversight reports have made numerous recommendations strengthening project delivery to promote successful achievement of scope, schedule, and budget for major capital projects. We continue to provide oversight of the largest capital project the county has ever undertaken, the \$1.8 billion Brightwater Wastewater Treatment Program.

Advancing performance-based county government continues to be a priority. Lead by our office, the Countywide Performance Management Work Group spent many hours assisting in the development of the county's first countywide strategic plan, a mandate the Work Group recommended.

Finally, the Countywide Community Forums program promotes transparency of county services and decision-making. This volunteer-driven citizen engagement program overseen by our office, held three forums to discuss county issues and priorities. Over 800 individuals participated in 2009.

We appreciate the support of the King County Council and the cooperation and collaboration of other county stakeholders to meet our high expectations.

*Cheryle A. Broom*

### **METRO TRANSIT AUDIT RECOMMENDATIONS IMPROVE OPERATIONS AND IDENTIFY SAVINGS**

When the King County Council faced tough choices about potential service cuts and how to address revenue shortfalls in Metro's budget, a performance audit of King County Metro Transit identified savings in a number of areas to help close the gap. Report recommendations could achieve annual cost savings in the range of \$30 to \$37 million and boost revenue by as much as \$54 million per year. Added to this is a one-time draw down of \$105 million in excess vehicle replacement fund balance.

As one councilmember stated, "The auditors did a great job identifying opportunities for savings that can be used to keep as much transit service on the street as possible. Many of the audit recommendations come with tradeoffs that need careful evaluation, but the audit gives us the framework for making these important policy decisions." Metro Transit officials found the audit useful as well and have developed a process to track the status of recommendations implemented and, shortly after the audit was published, had already identified \$2.5 million in savings which reduced the need for cuts in transit service.

The audit identified operational efficiencies, potential costs savings, and revenue enhancements. Overall, the audit recognized that Metro Transit is actively engaged in fulfilling its stated mission though its approach has contributed to higher expenditures – a situation exacerbated by reduced revenues and increased costs. The audit examined six areas such as Metro Transit's operational, financial, maintenance, and communications practices. Recommendations included that Metro Transit should more systematically use data analysis to ensure service efficiency and consider fare options that could generate up to \$51 million annually in additional fare revenues.

### ***CAPITAL PROJECTS OVERSIGHT PROGRAM STRENGTHENS CAPITAL PROCESSES***

The Capital Projects Oversight program (CPO) within the King County Auditor's Office seeks to promote the delivery of capital projects in accordance with the council approved scope, schedule, and budget; to provide timely capital project review and reporting; and to assist the council with other capital program oversight initiatives. In 2009 CPO and audit staff provided:

- Technical assistance for legislation enhancing council's oversight of capital project delivery through an assessment process designed to identify high risk projects and to reduce risk by imposing phased funding and standardized cost estimating requirements.
- Oversight for major capital projects resulting in the following recommendations and improvements:
  - **Accountable Business Transformation (ABT):** Our early identification of several risks to the successful delivery of these new enterprise systems resulted in enhanced efforts from the ABT project team to assure adequate stakeholder input, to fill vacant positions in a timely manner, and to gain approvals at checkpoint reviews conducted by various governance bodies. We continue to advise on measuring the benefits achieved from the ABT Program and achieving a full accounting of costs.
  - **Brightwater Wastewater Treatment Program:** Our recommendations to the Wastewater Treatment Division included: continue to make improvements to Wastewater Treatment Division's risk management activities; reduce the backlog of unresolved change orders; increase staffing in certain areas; and provide more timely information to council. We have seen improvements in the amount of risk assessment, increases in staff dedicated to change order resolution and other changes in project staffing, and improvements in communications to council. We also believe that our ongoing review of the division's cost estimates has resulted in improvements to the division's Trend Report cost estimates.
  - **Data Center:** We provided a number of key budget reporting, cost, and schedule risk mitigation recommendations that were adopted by the project team.
  - **Integrated Security Project and Jail Health Services Improvements:** We conducted our first ever post-project lessons learned session with project stakeholders, an important milestone because such reviews are an essential part of CPO's effort to identify systemic process improvements in capital project management.

### ***REVIEW OF EMERGENCY MEDICAL SERVICES LEVY PROMOTES FINANCIAL COMPLIANCE***

The Emergency Medical Services (EMS) Levy Financial Review concluded that, while the implementation of the EMS levy was consistent with the financial plan and model, policy guidance and a legal review will be necessary in 2010 to address issues regarding full funding of Advanced Life Support (ALS) services and the allowable uses of the EMS levy funds. The study responded to Ordinance 15862 requesting a review of the county programs funded by the \$406 million EMS levy and a comparison of the annual revenues, expenditures, and reserves to those identified in the council-adopted financial plan. The report also assessed the reasonableness of the 2008 to 2013 EMS levy financial plan and model in projecting annual operating budgets and costs, and the adequacy of the established internal controls to properly manage the financial and contractual aspects of levy-funded ALS services.

The review found the model's assumptions, inflationary factors, and reserves were adequate in projecting annual operating costs, and the EMS Division managed the existing reserves and contingency funds in accordance with the levy and financial plan. In addition, the EMS Division and ALS providers also substantially complied with the contractual requirements for using levy funds to implement ALS services.

### ***PERFORMANCE AUDIT OF ANIMAL CARE AND CONTROL RECOMMENDS MANAGEMENT IMPROVEMENTS***

While Animal Care and Control (ACC) has improved operations in some areas, two audit reports identified significant operational, management, and data reliability problems at King County's animal shelters. The first audit found gaps between ACC's population monitoring and management activities and recommended practices—gaps that can delay care and negatively affect animal health. The audit also found problems with data consistency and completeness such that program data are not reliable as a precise measure of shelter performance. The audit also found that inconsistent leadership, shifts in management direction, and sustained organizational uncertainty have limited ACC's ability to make improvements in a number of key areas.

A second report, based on work by a Tufts University veterinary consultant, found that, although ACC's euthanasia process is generally consistent with accepted practices, ACC's documentation of euthanasia decision-making and treatment decisions was incomplete, resulting in inaccurate information for management planning and transparency of decision-making. The auditor's office provided input to the executive about the findings and recommendations which provide significant opportunities to improve animal care and control services in King County.

### ***FOLLOW-UP REVIEW OF KING COUNTY SHERIFF'S 2006 COMPLAINT ANALYSIS AND POLICE ACCOUNTABILITY MANAGEMENT SHOWS PROGRESS***

This follow-up review assessed improvements suggested in the 2006 management letter regarding the *King County Sheriff's Office Complaint Analysis*. It concluded that the sheriff's office made significant progress in meeting national standards and best police accountability practices. The 2006 management letter focused on the analysis of the sheriff's office misconduct and use of force complaints, and the sheriff's office's policies, procedures, and processes related to police accountability for conformance to nationally recognized standards and best law enforcement practices. In addition to this follow-up review, an update of the sheriff's office 2006 to 2009 misconduct and use of force complaints and comparison to national complaint volumes and trends is scheduled in fall 2010 to coincide with the release of the U.S. Bureau of Justice Statistics misconduct and use of force report.

### ***FOLLOW-UP TO PRIOR AUDITS LEADS TO SIGNIFICANT SAVINGS AND IMPROVED AGENCY OPERATIONS***

A 2008 audit recommended that DDES's Code Enforcement program improve written communications with property owners, implement stronger management controls and records management practices, and enhance performance reporting. Since then, Code Enforcement has taken action on all eight audit recommendations, resulting in clearer and more accurate communications materials to the public, better timekeeping practices, and progress toward the development of a strategic mission to guide and track performance. Our office plans to continue to follow up with DDES on recommendations planned for full implementation in 2010.

A 2007 audit made nine recommendations for changes in county vehicle fleet replacement in the areas of lifecycle cost analysis, strengthened cost recovery accounting, and more cost effective utilization of county vehicles. Implementation of the nine recommendations has generated more than \$120,000 in savings in 2010 and \$335,500 in annual savings beginning in 2011 with more efficient use of county vehicles. In addition, Fleet Administration has made its rate model more transparent to county user agencies and has ensured that it recovers costs sufficient to maintain an adequate fund balance in compliance with executive policies.

### ***ENGAGING CITIZENS THROUGH COMMUNITY FORUMS***

In October 2009, King County residents attended 35 countywide community forums organized by fellow volunteers on the topic of Public Safety – Law & Justice. After viewing a videotaped panel discussion with King County Councilmembers Bob Ferguson and Kathy Lambert, Prosecutor Dan Satterberg, Sheriff Sue Rahr, and Judges Bruce Hilyer and Barbara Linde,

forum participants discussed the topic among themselves and completed a survey.

The survey results indicate that respondents favor a broad spectrum approach to crime where social and economic problems are addressed, but incarceration remains a deterrent. Two-thirds of the respondents are satisfied with the police presence in their community. They requested that "gang activity" receive the most attention from Law and Justice agencies, followed by "DUIs," "violent crimes," meth labs," and "identity theft." The complete results are available at [www.kingcounty.gov/auditor/communityforums](http://www.kingcounty.gov/auditor/communityforums).

Four rounds of forums were conducted during the program's initial two years for a total of 243 forums and 955 individuals participated in at least one forum. An evaluation of the program's two first years was completed and the program's citizen sponsors have agreed to fund the program through 2010.

### ***OFFICE'S CONTRIBUTIONS RECOGNIZED IN REAPPOINTMENT OF COUNTY AUDITOR***

In November 2009, the King County Council reappointed County Auditor Cheryle Broom to a third term. In approving the reappointment, the chair of the Employment and Administration Committee cited the County Auditor's impressive performance and leadership in increasing both the productivity and credibility of the auditor's office.

### ***COUNTYWIDE WORK GROUP ADVANCES PERFORMANCE MANAGEMENT***

The King County Performance Management Work Group made significant progress toward advancing the vision of a countywide strategic planning, performance management, and public reporting system. The principal accomplishment has been the development of the first countywide strategic plan, which the work group provided extensive review and input on through its many subcommittees. It will be transmitted to the council in final form in May 2010 and may be downloaded at [www.kingcounty.gov/exec/strategy](http://www.kingcounty.gov/exec/strategy).

Our 2009 annual report of the work group's activities contains details about the recognition King County has received for its performance management work, such as for the County Executive's AIMs High Performance Report and the Countywide Community Forums as a citizen engagement program.

### ***HIGHLIGHTS OF 2010 WORK PROGRAM MANDATES***

Our office's three-year strategic plan and 2010 work program position us to further contribute to county government's performance during the year ahead. Please visit our Web site [www.kingcounty.gov/auditor](http://www.kingcounty.gov/auditor).

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**BUS PROCUREMENT** - Evaluate Metro Transit's bus procurement program to determine whether the program successfully delivers quality, cost-effective buses in a timely manner. The audit team will work with stakeholders to identify effective measures of success, will evaluate recent Metro Transit bus procurements, and will identify next steps to improve upcoming bus procurement processes and outcomes.

**JAIL OPERATIONS AND PLANNING** - Review options and past recommendations intended to enable the Department of Adult and Juvenile Detention to make cost-effective choices in housing inmates in 24-hour secure detention as changes in inmate population occur. Evaluate how inmate population projections and management are integrated into the strategic and financial planning.

**EMERGENCY MEDICAL SERVICES LEVY** - Evaluate potential opportunities to improve the cost-effectiveness of the EMS Division's ALS program operations, and generate cost savings or avoid costs over the remaining years of the 2008-13 EMS levy.

**UNFUNDED MANDATES** - Perform a review of the King County Executive's survey of unfunded state mandates and the effects of new programs or increased levels of service.

**CUSTODIAL SERVICES** - Evaluate whether management's staffing, scheduling, and supervision of custodial service practices result in efficient use of resources, effective service delivery, and customer satisfaction.

**WTD PRODUCTIVITY INITIATIVE** - Review the effectiveness of the Wastewater Treatment Division's productivity initiative in achieving the efficiency, accountability, and other program objectives and goals identified in Ordinance 14941.

**SHERIFF'S OFFICE INTERNAL INVESTIGATIONS UNIT** - Per ordinance 16511, begin preliminary work on an initial audit with annual reviews thereafter on the effectiveness of the Internal Investigations Unit and the new Office of Law Enforcement Oversight.

**COUNTYWIDE PERFORMANCE MANAGEMENT WORK GROUP** - Continue to support finalizing and implementing the Countywide Strategic Plan in order to improve the performance of county government. This includes advising how to develop agency strategic plans, link them across agencies, and integrate them with the countywide plan and budget.

**CAPITAL PROJECTS OVERSIGHT** - New oversight will include the Roads South Regional Maintenance Facility (in design phase), opportunities to conduct compliance audits of large contracts that are closing out, and collaboration on the development of a risk assessment tool for major capital projects.

**COUNTYWIDE COMMUNITY FORUMS** - In the next round of forums, the executive and the council jointly selected customer service and public engagement as the theme. These forums will run 5/1 – 6/13/10. The second round of 2010 forums is planned for the fall.

### IDEAS WELCOMED

Please contact our office if you have any questions or suggestions. Find us on the Web for more information on our audits and other oversight work.

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